GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5050
ANSWERED ON:25.08.2000
LOSS BY AUTOMOTIVE RESEARCH ASSOCIATION
RAMJI MANJHI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Automotive Research Association of India, Pune has incurred a loss of Rs. 2.10 crore in a land deal with HUDA;

(b) if so, the detils thereof; and

(c) the measures taken or proposed to be taken by the Government to recover the amount from HUDA?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (Dr. RAMAN SINGH)

(a) to (c): The Automotive Research Association of India (ARAI), Pune was offered 10 acres of land by the Haryana Urban Development Authority (HUDA) - an authority under the Government of Haryana-for a total cost of Rs.3.87 crores at the rate of Rs.800 per square yard. The ARAI paid Rs.3.87 crores in 1995 for purchase of the said land allotted by the HUDA in Sector 33, Faridabad for setting up of ARAI Regional Centre North. However, the ARAI had to refuse possession of the plot because of encroachments. The Huda failed to remove the encroachments due to stay given by the High Court of Haryana.

In December 1997, the HUDA offered an alternate plot of land of 10 acres at a total cost of Rs.7.99 crores at the rate of Rs.1650 per square yard in Sector 58, Faridabad which was 25 kms away from the first plot. The ARAI did not accept this offer due to its higher cost and inconvenient location. It filed a claim for refund of Rs.3.87 crores along with interest of Rs.2.10 crores at the rate of 15 per cent per annum. The HUDA refunded only the principal amount of Rs.3.87 crores and has stated that, as per its policy, the interest cannot be paid since the ARAI had declined the offer of alternate allotment of land.